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## Bridge collapse may spur steel, cement demand

### More retrofitting projects would help industry hurt by housing downturn

**AP** Associated Press  
updated 8:31 p.m. ET, Fri., Aug. 3, 2007

WASHINGTON - Cement and steel companies, hard-hit by the housing downturn, could see demand improve the next couple of years in the wake of the deadly collapse of Minnesota's Interstate 35W bridge.

That doesn't mean bridge construction contracts will start being handed out even this year although Congress is trying to fast-track federal funding for repairs to Minnesota's collapsed bridge.

The American Society of Civil Engineers estimates the cost of repairing U.S. bridges rated structurally deficient at more than \$188 billion over 20 years.

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"Unfortunately, this is a timely event that will push people looking at (the bridge problem) to give us some answers," said Heather Brown, director and associate professor of the Concrete Industry Management Program at Middle Tennessee State University.

After bridge inspections are completed, it likely would be up to two years before government contracts would be issued, says Ed Sullivan, chief economist at the Portland Cement Association, an industry group based in Skokie, Ill.

"The demand would be ramping up at a time when industry can meet it," Sullivan said, because companies had already implemented production increase plans for next year and beyond in hopes of a housing rebound.

Now they can look to increased demand for bridge reconstruction.

Mired in a slump since record consumption and spending in 2005, the

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U.S. cement industry last year embarked on an expansion effort and plans to invest \$5.5 billion to increase domestic capacity 20 percent by 2010, Sullivan said.

There were 122.5 million [More bridge collapse news](#)

metric tons of cement consumed in 2005, a number expected to drop to 116.5 million this year, before surging to 128.9 million in 2010.

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Foreign companies own about 81 percent of U.S. cement capacity, according to the trade group. The three largest providers — France's Lafarge SA, Holcim Ltd. of Switzerland and Mexico's [Cemex SAB](#) — each control about 13 percent of the U.S. market.

Del Boring, vice president of construction at the American Iron and Steel Institute, whose members include Nucor Corp. and [United States Steel](#) Corp., said those companies also would step up to meet demand if bridge repair contracts increased.

The industry produced more than 7 million tons of the steel plate used in bridges last year, and the bridge market usually represents about 5 percent of the yearly total although it has risen since increased federal funding was approved in 2005.

Even if demand from bridge repair and construction doubled, Boring said he is "completely confident on the material side, capacity would not be an issue."

Charles Bradford, a steel analyst with Bradford Research/Soliel Securities, urged caution on the industry's ability to keep pace.

The 2005 federal highway bill included hundreds of billions of dollars for bridge repairs but "these projects take forever" and the money is not going as far as people hoped, he said.

In the aftermath of the Minnesota tragedy, approval for public projects is likely to pick up and meeting that demand "would be difficult," Bradford said.

Not to mention the shortage of qualified contractors nationwide for that kind of work.

"There are not enough people that understand aging concrete and steel structures," Brown said.

There is a growing cadre of companies that specialize in such work. The International Concrete Repair Institute lists hundreds of such firms and contractors on its Web site.

Meeting demand in the steel industry could also be an issue because the same steel used for bridges is also used in office buildings, and the nonresidential market is booming, Bradford said.

Still, even if that market cools a bit and public bridge projects ramp up, steel companies' would benefit.

Investors seem optimistic about the industry. Shares of Pittsburgh-based United States Steel, the largest U.S.-based steel producer, have nearly doubled in the last year, closing above \$91 apiece Friday compared with \$59 a share in August last year. Last month, the company said sales grew by \$100 million to \$4.2 billion in the second quarter although earnings declined 25 percent.

Yet Bradford said he would be surprised if the tragedy creates a bridge construction boom.

"Within a month, people will forget it," he said, noting that last month's steam pipe explosion in New York City and natural gas explosions a few years ago quickly exited the public spotlight.



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